

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUCAR 04920 201131Z

10
ACTION EUR-12

INFO OCT-01 EB-07 ISO-00 /020 W
----- 062871
R 201055Z AUG 76
FM AMEMBASSY BUCHAREST
TO: RUEHDC/USDOC WASHDC
INFO: RUEHC/SECSTATE WASHDC 9337

LIMITED OFFICIAL USE BUCHAREST 4920

E.O. 11652: N/A
TAGS: BDIS, RO
SUBJ: TRADE COMPLAINT: IMPEXMIN V. ROTOFLOW CORPORATION

1. ROMANIAN FTO IMPEXMIN REQUESTS USG ASSISTANCE IN RESOLVING DISAGREEMENT WITH AMERICAN FIRM, ROTOFLOW CORPORATION, 2235 CARMELINE AVENUE, LOS ANGELES. DISPUTE CENTERS ON SIGNED IMPEXMIN PURCHASE ORDER FOR ROTOFLOW TURBO-EXPANDER. IMPEXMIN'S CONTENTION IS THAT COUNTER-SIGNATURE ON PURCHASE ORDER (SHOWN TO EMBOFF) OF DAVID HOENISCH OF ROTOFLOW'S INTERNATIONAL SALES DEPT. RENDERS PURCHASE ORDER FIRM CONTRACT. IN TELEX EXCHANGE, WHICH IS STILL CONTINUING BETWEEN TWO PARTIES, SWEARINGEN OF ROTOFLOW HAS MAINTAINED THAT HOEISCH WAS NOT AUTHORIZED TO CONCLUDE CONTRACT.

2. UNDERLYING ROTOFLOW'S UNWILLINGNESS TO ACCEPT PURCHASE ORDER IS STATED DISSATISFACTION WITH TERMS RELATING TO PRICE, PENALTIES, AND OVERSEAS TESTING. ROTOFLOW IS DEMANDING PRICE OF \$230,000 VERSUS IMPEXMIN OFFER OF \$195,000. IN ADDITION, ROTOFLOW UNWILLING TO ACCEPT PENALTY AND TESTING CLAUSES SINCE IMPEXMIN PREVIOUSLY PURCHASED IDENTICAL ROTOFLOW TURBO-EXPANDER WHICH PROVIDING WHAT IMPEXMIN ACKNOWLEDGES TO BE EXCELLENT SERVICE.

3. AT THIS STAGE PARTIES ARE STILL IN DIRECT COMMUNICATION, BUT POSITIONS HAVE HARDENED TO POINT WHERE IMPASSE APPEARS TO HAVE BEEN REACHED. IMPEXMIN HAS THEREFORE REQUESTED OUR ASSISTANCE AS WELL AS THAT OF ROMANIAN NEW YORK COMMERCIAL OFFICE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUCAR 04920 201131Z

4. ALTHOUGH NO SOLUTION IS IN SIGHT, BOTH PARTIES HAVE EXPRESSED

THEIR DESIRE TO MAINTAIN GOOD TRADE RELATIONS. OANCEA OF IMPEXMIN, WHO HANDLED NEGOTIATIONS, INDICATED THAT HE CURRENTLY NEGOTIATING CONSTRUCTION OF NEW FACILITY WITH FIRM PRITCHARD-RHODES, WHO BID INCORPORATES TWO ROTOFLOW TURBO-EXPANDERS.

5. ACTION REQUESTED: INITIALLY WE WOULD REQUEST THAT USDOC ASCERTAIN FROM SWEARINGEN HIS INTERPRETATION OF HOENISCH'S COUNTER-SIGNATURE ON PURCHASE ORDER. IN DISCUSSION WITH ROTOFLOW IT WOULD ALSO BE USEFUL TO EXPLORE IMPACT ON ITS POSITION OF POSSIBILITY OF FUTURE SALES, I.E. OPPORTUNITY TO RECOVER ANY LOSS ON UNIT IN QUESTION THROUGH SALES OF TWO ADDITIONAL UNITS NOW UNDER NEGOTIATION. INDEPENDENTLY, WE WOULD ALSO SEE UTILITY IN CHECKING WITH ROMANIAN-U.S. ECONOMIC COUNCIL TO CLARIFY LEGAL STATUS OF COUNTER-SIGNED PURCHASE ORDER. DEPENDING ON LEGAL OPINION AND ROTOFLOW'S ATTITUDE, THIS CASE MIGHT ALSO BE CANDIDATE FOR COUNCIL'S CONCILIATION MECHANISM. WE WOULD APPRECIATE PROGRESS REPORT THAT WE CAN PASS ON TO IMPEXMIN.
VIETS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BUCHAR04920
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760319-1030
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760835/aaaabege.tel
Line Count: 80
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 04 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 MAY 2004 by woolflhd>; APPROVED <31 AUG 2004 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRADE COMPLAINT: IMPEXMIN V. ROTOFLOW CORPORATION
TAGS: BDIS, RO
To: COM STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006